



Dhaka stocks, turnover drop despite receding Covid-19

STAR BUSINESS REPORT

Shares listed on the Dhaka Stock Exchange (DSE) fell yesterday while daily turnover, a key indicator of the market, dropped below Tk 1,000 crore for the first time in about two months.

Although the indices rose when the Omicron variant of Covid-19 was spreading like wildfire earlier this year, shares are on a downward trend despite the decreasing infection rate, according to a stockbroker.

"This ought to be just the opposite. Actually, our stock market is not responding to real reasons for change. Instead, it moves due to the activities of some big investors as the market size is comparatively small."

The DSEX, the benchmark index of the Dhaka bourse, edged down 8 points, or 0.12 per cent, to 6,917.

Turnover fell 20 per cent to Tk 908

crore from Tk 1,140 crore the previous trading session. On January 2, the turnover was Tk 894 crore.

On the DSE, 173 stocks advanced, 154 fell and 49 remained unchanged.

"The investors' overall turnover dropped as they abstained from making any new investments amid the lack of a clear market direction."

The country's premier bourse plunged for a third consecutive day over Bangladesh Bank's directive that fixed the capital market exposure limit for non-banking financial institutions, International Leasing Securities Ltd

said in its daily market review.

"The investors' overall turnover dropped as they abstained from making any new investments amid the lack of a clear market direction."

ADN Telecom topped the gainers' list, rising 10 per cent, followed by Apex Spinning, Meghna Pet Industries, Dragon Sweater and Spinning, and Peninsula Chittagong Hotel.

Beximco Ltd was the most-traded stock with its shares worth Tk 64 crore changing hands.

Orion Pharmaceuticals saw a turnover of Tk 35 crore while Fortune Shoes registered Tk 27 crore, Bangladesh Shipping Corporation witnessed Tk 22 crore, and British American Tobacco recorded Tk 20 crore.

Aramit Cement shed the most, dropping 6.3 per cent. Zeal Bangla Sugar Mills, Samorita Hospitals,

Tamijuddin Textiles, and Rangpur Foundry were also among the heavy losers. Among the sectors, IT rose 2.5 per cent, travel and leisure gained 1.7 per cent, and real estate and services increased 1.6 per cent.

The jute sector dropped 3 per cent while paper and printing fell 2.3 per cent, and food and allied lost 0.9 per cent.

The investors' attention was mainly concentrated on pharmaceuticals and chemicals (12.3 per cent), miscellaneous (11.6 per cent), and textile (11.2 per cent).

The Chittagong Stock Exchange (CSE) remained flat as well, as the CASPI, the main index of the port city bourse, was unchanged at 20,231 points.

Among the 304 stocks traded, 136 rose, 132 fell and 36 did not see any price movement.

More relief for mobile users

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"There are numerous packages in the market that are creating confusion and customers are complaining about this at the ministry, call centre of the BTRC, and during public hearings," said Subrata Roy Maitra, vice chairman of the BTRC.

"We have taken this step to simplify data packages so that customers can easily select their desired packages."

Before issuing the new directives, the commission met with officials of the operators and analysed the current market to put in place a better system.

ONLY THREE CATEGORIES OF PACKAGES

According to the new directives, an operator can offer 95 packages across three categories: regular packages, customer-centric special packages, and research and development packages.

The number of regular packages, which are aimed

at all types of subscribers, could be as high as 50, while the number of customer-centric special packages, which are for targeted groups of customers, will be a maximum of 35.

The rest 10 will come in the research and development category to allow operators to analyse the viability of packages and trends.

Every package will contain four types of duration: 3-day, 7-day, 15-day, and 30-day.

"Following the latest BTRC directive, we have started bringing down the number of packages," said Md Hasan, head of external communications at Grameenphone, the largest operator in Bangladesh.

"While the company has complied, we also believe in understanding customers' needs and package simplification diversification accordingly for ensuring a better customer experience."

Ankit Sureka, head of

corporate communications and sustainability of Banglalink, said, "Being a compliant company, we abide by the BTRC's regulations and will follow them accordingly."

"However, we believe that the number of products should not be limited, as people now expect customised products. So, customers should be given the liberty of choosing the best ones that could be unique for them."

DATA CARRY FORWARD

Thanks to the new directive, the unused data can be carried forward if customers purchase the same package before its expiration, regardless of duration.

For example, if a customer currently buys a package offering seven gigabytes of data and 100 minutes of talk-time for three days but cannot use up the data or talk-time within the stipulated time, the purchase does

not carry into their next subscription.

But from March 1, the customers will be able to transfer the unused data and talk-time to the same package if it is bought before the existing offer expires.

Not only that, the data can be transferred to the new package under the other three types of duration.

Abu Saeed Khan, a senior policy fellow at LIRNEasia, a think-tank based in Colombo, says the new number of packages is still high and it goes against the consumers' interest.

"Besides, the BTRC should not regulate the price and packages as it is a hyper-competitive market where price regulation is counterproductive."

He also says the validity of all packs should be proportionate to the validity of connection, which is 90 days.

OTHER CHANGES Operators can offer

bonuses on the packages but the price of the products cannot be lower than their cost. However, packages can be offered at the floor price.

Mobile operators will have to publish the list of regular packages on their website.

They have to send an SMS to their customers, informing them about the monthly expenses in Bangla, and email such information if users request as much.

Subscribers cannot be sent more than three promotional SMSs related to a package in a single day.

SM Farhad, secretary-general of the Association of Mobile Telecom Operators of Bangladesh, says the regulator has fixed the number of packages after discussions and consultations with the operators.

"We appreciate the BTRC's decision-making process in this regard."

Apparel exports

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goods, freshwater fish and other high value-added items might be a better choice for Chinese markets."

MA Razaque, a research director of the Policy Research Institute who follows Chinese markets, says a major reason behind the decreased garment exports to China is the rising demand for locally made apparel items in the EU and the US.

Both the European and US markets have been buoyed by stimulus payments to consumers, helping Bangladesh recover quickly as well in its two major export destinations.

Moreover, there is a global inflationary pressure, which also influenced buyers to purchase more affordable consumer goods at competitive prices.

Bangladesh's current production capacity is mainly tailored for European and US markets, Razaque said.

He also agreed that the scope of exporting garment items to Chinese markets is more limited than that of the EU and US as China is mostly self-sufficient in garment production.

"Besides, Vietnam, China and Cambodia have formed a strong regional apparel supply chain that is very active now. So, imports from other countries have declined."

PM for finding ways

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gas, fertiliser and electricity sectors alone if prices are not adjusted in line with the global prices.

"The subsidy we give is not fair. Some people are getting this subsidy while others are giving it. This is a serious matter. We must get rid of the system," said Mannan, while briefing the media after the meeting.

The subsidy on food and the subsidy on air conditioners are completely different, he said.

State Minister for Planning Shamsul Alam said, "We will provide subsidies to farmers and marginalised people. We will not give the subsidy for using AC to the people who live in Gulshan."

Responding to a query about monitoring development projects by the deputy commissioners (DCs), Abu Hena Morshed Zaman, secretary of the Implementation Monitoring and Evaluation Division (IMED), said the matter of the DCs to monitor projects was nothing new.

The cabinet in 2011 issued a notice, saying that the DCs will monitor projects, he said.

The secretary said there are 590 projects under

the annual development programme. "Of them, the IMED has the capacity to monitor 500 projects. The rest are looked after by the DCs."

Yesterday, the Ecneec approved 10 projects, including two revised ones. The overall estimated cost of the projects will be Tk 8,804.10 crore.

The projects include the "Development of BTCL's optical fibre transmission network for 5G utilisation" at an estimated cost of Tk 1,059 crore and the "Rehabilitation of coastal dams, development of drainage system and protection of banks in Mujib Nagar and Monpara of Bhola, Phase-I" with an estimated cost of Tk 1,092.70 crore.

Other projects include the rehabilitation of polders and protection of Betagi town and other vulnerable parts from river erosion caused by the Bishkhali and Payra rivers in Barguna with Tk 826.49 crore; integrated community-based centre for child care, protection and swim-safe facilities with Tk 271.83 crore; and establishment of two modern fire stations in Bangabandhu Sheikh Mujib Industrial City for Tk 122.72 crore.

ACC seeks account

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The ACC letter said there were allegations that Islam had recruited employees for Agrani Bank and transferred employees from one branch to another breaching rules.

He also allegedly

embezzled crores of taka, said the ACC.

Lenders have been asked to submit the information of all types of accounts – active, dormant and inactive – operated by Islam and Chowdhury.

Contacted, Islam declined to comment.

BD-Kuwait JV to set up lube oil blending plant

STAR BUSINESS REPORT

The Bangladesh Export Processing Zones Authority (Bepza) yesterday signed a land lease agreement with a Kuwait-Bangladeshi joint venture that will set up a lubricating oil blending plant in its economic zone.

KB Petrochemicals Ltd will establish the plant in the zone located at the Bangabandhu Sheikh Mujib Shilpa Nagar with an investment of \$10.39 million. This will generate job opportunities for 129 Bangladeshi nationals, according to a press release from the Bepza.

The plant will produce 20,000 tonnes of finished lubricants annually.

Abul Kalam Mohammad Ziaur Rahman, executive chairman of the Bepza, Ali Reza Mazid, member for investment promotion, and Jahangir Hossain Patwary, managing director of KB Petrochemicals, inked the agreement.

"Bepza always welcomes high-end and diversified products manufacturing industries for investment in the Bepza Economic Zone," Rahman said.

Prime Minister Sheikh Hasina unveiled the foundation stone of the zone, located on 1,138.55 acres of land in the industrial city in Mirsharai of Chattogram, in 2018.

Investors have already submitted 643 applications for plots. The Bepza has allotted 154 plots provisionally to 19 companies.

UCB to form subsidiary in Singapore

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United Commercial Bank (UCB) has decided to form a subsidiary in Singapore to acquire a remittance business.

Its paid-up capital would be \$900,000, said the listed lender in a filing on Dhaka Stock Exchange (DSE) yesterday.

The company would be formed once regulators give the approval, it added.

The bank has also decided to issue UCB 2nd Perpetual Bond, an unsecured, contingent-convertible and non-cumulative bond, amounting to Tk 500 crore. This will be included in the additional Tier-1 capital subject to the approval of regulators.

Sri Lanka inflation hits record high

AFP, Colombo

Sri Lanka's inflation hit a record high for the fourth consecutive month, official data showed Tuesday as an economic crisis driven by a crippling foreign exchange shortage worsens.

The National Consumer Price Index (NCPI) rose 16.8 per cent in January from a year earlier, the fourth consecutive record rise and more than double October's figure of 8.3 per cent.